

**EXHIBIT A - 1**

**CHAPTER-CORPORATION LEASE**

THIS LEASE (this "Lease") is entered into as of the 30<sup>th</sup> day of November, 2021 by and between BETA SIGMA FACILITY CORPORATION OF KAPPA ALPHA THETA, a nonprofit corporation organized under the laws of the State of Texas (the "Facility Corporation"), and the Beta Sigma Chapter of Kappa Alpha Theta Fraternity (the "Fraternity") at Southern Methodist University (the "University"), an unincorporated association of individuals (the "Chapter"), on behalf of the Chapter and its members .

1. **Lease, Permitted Use of Chapter Facility.** In consideration of the payments and the performance of the covenants, terms and conditions contained in this Lease, the Facility Corporation leases to the Chapter, and the Chapter leases from the Facility Corporation, the real estate, improvements, fixtures and personal property owned and/or leased by the Facility Corporation at 3108 University Blvd., Dallas, Texas 75205 (collectively the "Chapter Facility") for a term of one (1) year commencing July 1, 2022 (the "Initial Lease Term"), unless extended or sooner terminated as provided in this Lease. Except as expressly provided below, the Chapter and its members shall have the right to occupy the Chapter Facility only during the period commencing July 1, 2022 and ending June 30, 2023 (the "Occupancy Period"). The Chapter shall use the Chapter Facility only for activities authorized to be conducted by a chartered chapter of the Fraternity for members in good standing with the Fraternity who are regularly enrolled at the University, subject to the bylaws, standing rules and policies of the Fraternity ("Fraternity Standards") and rules promulgated by the Facility Corporation and/or the Chapter ("Chapter Facility Rules"). The Chapter Facility Rules shall not be inconsistent with the bylaws, standing rules, and policies of the Fraternity. In the case of inconsistency, the Fraternity bylaws, standing rules, and policies shall control and any inconsistent Chapter Facility Rules shall be null and void.

Upon the written consent of the Facility Corporation, which consent the Facility Corporation may withhold for any reason or no reason, the Chapter shall have the right to occupy the Chapter Facility beyond the Occupancy Period for a period (or periods) to be mutually agreed to in writing by and between the parties (the "Extended Occupancy Period") pursuant to the terms of this Lease, except that (a) rent due during such Extended Occupancy Period shall be equal to the rent due during the Occupancy Period plus 5% of said rental and (b) rent for the Extended Occupancy Period shall be due and payable in one (1) payment in advance of the Extended Occupancy Period.

2. **Chapter and Facility Corporation Responsibilities.** The Facility Corporation shall be responsible for all capital improvements and for all painting, decorating and furnishings of the Chapter Facility and for the grounds of the Chapter Facility. The Facility Corporation shall provide furnishings, silverware, china, and glassware adequate for the membership of the Chapter. The Facility Manager and the Facility



Director together shall take an inventory of china, silver, flatware, and glassware twice each year, and shall provide the Facility Corporation with this inventory. The Chapter shall replace all lost, broken, or chipped pieces up to the number originally furnished by the Facility Corporation. All kitchen equipment, except major appliances, shall be the responsibility of the Chapter. The Chapter and its members shall be responsible for regular and adequate housekeeping. The Chapter and its members agree to maintain the Chapter Facility in good order and condition and shall, at their sole expense, be responsible for all repair and maintenance caused by acts of omissions of the Chapter, its members and their invitees or guests. The Chapter and its members shall not have the right to make any alterations, improvements or additions to the Chapter Facility, except as authorized in writing by the Facility Corporation. The Chapter shall not accept any gifts for the Chapter Facility, except in the form of money, without the approval of the board of directors of the Facility Corporation. At the end of the Lease Term (defined below), the Chapter shall leave the Chapter Facility neat and free of all personal belongings and in the same condition as the Chapter found the Chapter Facility at the beginning of the Lease Term, minus normal and reasonable wear and tear. Customary end-of-year cleaning shall be the responsibility of the Facility Corporation. The Facility Corporation shall have the right to specify the procedures for and to supervise the closing and opening of the Chapter Facility, and the Chapter shall cooperate fully with the Facility Corporation in performing such activities. The Facility Corporation shall ensure that the Chapter Facility is closed properly at the end of the spring term by the Chapter, and that the appropriate public safety officials are notified that the Chapter Facility will be vacant during all periods of the Lease Term that are not within the Occupancy Period or the Extended Occupancy Period (defined below), if any, during which time the Facility Corporation shall be responsible for the maintenance of the Chapter Facility, but the Facility Corporation shall not be responsible for the utility charges during any period of the Lease Term. The Facility Corporation shall supervise in conjunction with the Chapter advisory board a Facility Director who shall have a written employment agreement, which shall include the salary paid which is to be negotiated with the approval of the Chapter and paid by the Chapter. The Facility Director has a specific list of duties and responsibilities that are provided by the Facility Corporation.

**3. Lease Payments, Security Deposit, Facility Fee and Salaries.**

- a. The Chapter shall pay to the Facility Corporation as rent the sum of \$343,668.00, which shall be paid in installments as follows: \$171,834.00 as a first payment of the Initial Lease Term on September 15, 2022, and the remainder payment of \$171,834.00 due on February 15, 2023.
- b. Prior to the commencement of the Initial Lease Term of this Lease, the Chapter shall also pay to the Facility Corporation a security deposit in the amount of \$0. The security deposit shall secure the Facility Corporation against any damage caused to the Chapter Facility by the Chapter, its members or their invitees or guests. The Facility Corporation shall have the right to deduct the cost of any repairs from the security deposit or, at its



election, to require the Chapter or any member to cause the damage to be repaired at his or her expense. If damages are deducted from the security deposit, the Chapter is responsible for replenishing the deposit to the original amount of the deposit before the next Lease Period (defined below).

- c. In addition to all other fees, costs and expenses provided for in this Agreement, including, without limitation, in Section 3(a) above, the Facility Corporation shall annually set, a facility fee to be paid by new members, initiated members and affiliated members of the Chapter. The amount of the required facility fee for new members and initiated members shall be \$975.00 (total facility fee), payable on March 15, 2023. The amount of the required facility fee for affiliated members shall be \$975.00 to be paid upon affiliation. The chapter shall remit these funds in full to the Facility Corporation on March 15, 2023. A late fee of 3% will be added if the payment is not received within 10 days of the due date.
  - d. The Facility Fee payment schedule shall also be provided to the Chapter President and Chairman of the Chapter advisory board. The amount of the Facility Fee and the schedule of payments for the Facility Fee for each Renewal Lease Term (defined below) shall be determined in accordance with Fraternity policy or guidelines and in consultation with the Chapter.
  - e. The Facility Corporation Board and the Chapter shall negotiate the salaries of the Facility Director and staff with the salaries being paid by the Chapter.
4. **Renewal Lease Term(s).** This Lease may be extended for additional one-year terms (each a "Renewal Lease Term"; collectively, the "Renewals Lease Terms"; and hereinafter, the Initial Lease Term and each Renewal Lease Term, if any, are sometimes referred to in this Lease each as a "Lease Period" and collectively, as the "Lease Term"); and, unless the Facility Corporation has terminated this Lease pursuant to Section 11, this Lease shall automatically be renewed for an additional Renewal Lease Term of one year commencing on the yearly anniversary date of the Initial Lease Term. If this Lease is renewed under this paragraph, the rental payment due during each Renewal Lease Term shall be an amount equal to the rent due during the immediately preceding Occupancy Period multiplied by 1.05. Rent paid during the Extended Occupancy Period shall not be factored into the rent escalation formula noted in this Section 4. The Occupancy Period for each Renewal Lease Term shall be determined by the Facility Corporation based on the coinciding academic calendar of the University.
5. **Taxes, Utilities, Licenses and Permits.** The Facility Corporation shall be responsible for the payment of all real and personal property taxes. The Chapter shall be responsible for all other taxes, including employment taxes, arising out of or in connection with its operations of the Chapter and the Chapter Facility. Unless otherwise agreed, the Chapter shall pay promptly when due all utilities and other charges and shall ensure that all necessary permits and licenses required for the Chapter's use of the Chapter Facility are current, except to the extent any such license or permit is required by law to be obtained by the Facility Corporation.



6. **No Agency, Joint Obligation.** The Facility Corporation grants to the Chapter the right to grant general access to and use of the Chapter Facility to its members. None of the Chapter, its members or any of their guests is a subordinate or agent of the Facility Corporation or the Fraternity, and none of them shall, at any time, represent themselves as such.
7. **Guests.** Chapter members shall be permitted to use space subleased to them and the public areas of the Chapter Facility and to invite and host guests at the Chapter Facility; provided that all guests shall be subject to and abide by the terms of the Member Room Rental License (as such term is defined by the Fraternity) in effect during the then current Lease Period with respect to the Chapter Facility and the Chapter Facility Rules to the same extent as a member in good standing of the Chapter; each member shall take all steps necessary to assure that her guests abide by Member Room Rental License and Chapter Facility Rules, and each such member shall be financially responsible for any claims, damages, losses, expenses or liabilities arising out of the acts or omissions of her guests.
8. **Compliance with Legal and other Requirements.** The Chapter and its members shall use the Chapter Facility only for the purposes permitted by Section 1, and none of the Chapter, its members and any of their guests shall use any other portion of the Chapter Facility property for any purpose or in any manner which violates the law or constitutes a nuisance. The Chapter, its members and their guests shall at all times comply with all local, state, and federal laws, ordinances and regulations; rules, regulations and policies of the Chapter, the Facility Corporation, the University and any insurer of the Chapter, Facility Corporation and Fraternity; and Fraternity Standards.
9. **Right of Inspection.** The Chapter agrees that the Facility Corporation may, and the Facility Corporation reserves the right to, enter any room of the Chapter Facility without prior notice for the purpose of inspecting the room and its contents to ascertain compliance with the terms of this Lease or any Member Room Rental License, to assure the safety of occupants of the Chapter Facility and to make such repairs, alterations, additions, and improvements as the Facility Corporation may deem necessary or desirable.
10. **Limitation on Liability of Facility Corporation and Fraternity, Insurance.** The Chapter shall, at its expense, maintain in full force and effect throughout the Lease Term such insurance coverages as required by the Fraternity. The Facility Corporation shall, at its expense, maintain such insurance coverages as are recommended by the Fraternity. The Facility Corporation and the Fraternity, and their respective officers, directors, employees, and agents shall, to the extent permitted by applicable law, not be responsible for any injury, loss, or damage to the Chapter's or any member's property resulting from fire, theft, or other cause. By entering into this Lease, the Chapter and its members agree that each Chapter member alone is responsible for securing personal insurance protection against such things as accident, sickness, injury or death, damage to or loss of her property and



legal liability imposed on her for damage to persons or property and the Chapter agrees that it will remind each member of this responsibility from time to time and that each member is expected to insure any property that she brings onto the Chapter Facility premises against the risk of loss or damage, and proof of insurance may be required as a condition of occupancy. The Chapter and each of its members further agrees, provided that such agreement does not invalidate any policy of insurance, that (a) in the event of a claim against the Chapter or a member for injury to persons or damage to property, insurance coverage, if any, under any policy of insurance secured or maintained by the Chapter, the Facility Corporation or the Fraternity shall specifically be excess of and shall not contribute with any insurance otherwise available to the Chapter or member, and (b) in the event the Chapter's or a member's property is damaged or destroyed or a member is injured, and such loss is covered by insurance maintained by or for the benefit of the Chapter or the member, the Chapter and its members hereby waive any rights of recovery or subrogation against the Facility Corporation or the Fraternity.

11. **Indemnification by Members.** By entering into this Lease, the Chapter and each of its members acknowledges and agrees that each member is responsible and liable for her personal actions and those of her guests and invitees, including, but not limited to, negligent or intentional acts, errors or omissions. Each member shall defend, hold harmless and indemnify the Chapter, the Facility Corporation and the Fraternity, and their respective officers, agents, employees and volunteers, from and against any claims, damages, costs or expenses, including attorney's fees, financial loss, or any loss or damage to property or for injury or death to any person, arising in any way out of the acts or omissions of a member or her guests, including, but not limited to, negligent or intentional acts, errors and omissions, or any breach of this Lease by each member, her guests, invitees or agents.
12. **Termination of Lease by Facility Corporation.** The Facility Corporation may terminate this Lease if the Chapter Facility becomes uninhabitable by reason of fire, windstorm, or other similar catastrophe. The Facility Corporation may elect to cancel or terminate this Lease and take possession of the Chapter Facility, upon 10 days written notice of such election, if the Chapter and/or any of its members fail to comply with any of the terms and conditions of this Lease and/or the Member Room Rental License. In such event, the Chapter and its members shall, to the extent permitted by applicable law, remain obligated in accordance with this Lease for all charges for the remainder of the then current Term, as well as any losses, damages or expenses incurred by reason of such default, including, without limitation, costs and expenses incurred to recover possession of the Chapter Facility or to collect any amounts due from the Chapter and its members.
13. **Amendment, Assignment.** This Lease shall not be amended except in writing signed by the Chapter and the Facility Corporation. The Chapter shall not assign its interest in this Lease without the prior written consent of the Facility Corporation.



14. **Governing Law.** This Lease is made with reference to and shall be construed in accordance with the laws of the State/Province of Texas. Any action arising under the terms and conditions of this Lease may be brought in any court located in such State/Province, having jurisdiction of the subject matter, and the undersigned parties hereby consent to the personal jurisdiction of such court with respect to any such action.

**IN WITNESS WHEREOF**, each of the Chapter and the Facility Corporation has caused this Lease to be signed by duly authorized officers.

**Approved via the Officer Portal (OP) by the advisory board chairman and chief executive officer.** (no ink signatures required if uploaded to the OP)